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Vendor Software Product Support Strategies, Europe 1995

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INPUT WORLDWIDE

Frankfurt
Sudetenstraße 9
D-35428 Langgöns-Niederkleen
Germany
Tel. +49 (0) 6447-6055
Fax +49 (0) 6447-7327

London
Cornwall House
55-77 High Street
Slough, Berkshire
SL1 1DZ
Tel: 44 (0) 1753 530444
Fax: 44 (0) 1753 577311

New York
400 Frank W. Burr Blvd.
Teaneck, NJ 07666
U.S.A.
Tel. 1 (201) 801-0050
Fax 1 (201) 801-0441

Paris
24, avenue du Recteur Poincaré
75016 Paris
France
Tel. +33 (1) 46 47 65 65
Fax +33 (1) 46 47 69 50

San Francisco
1881 Landings Drive
Mountain View
CA 94043-0848
U.S.A.
Tel. 1 (415) 961-3300
Fax 1 (415) 961-3966

Tokyo
Saida Building, 4-6,
Kanda Sakuma-cho
Chiyoda-ku, Tokyo 101
Japan
Tel. +81 3 3864-0531
Fax +81 3 3864-4114

Washington, D.C.
1921 Gallows Road
Suite 250
Vienna, VA 22182 3900
U.S.A.
Tel. 1 (703) 847-6870
Fax 1 (703) 847-6872

Abstract

This report summarises vendors' current concerns and attitudes about software product support.

It examines the evolution of software product support to its current state, presents two examples of advanced vendor offerings and reviews current trends in the software product support market.

The report discusses vendors' plans for developing their support offerings.

It summarises the major issues affecting software product support and offers some guidelines for vendors who wish to enjoy continuing success in the field.

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Research by
INPUT
Cornwall House
55-77 High Street
Slough, Berkshire
SL1 1DZ

Published by
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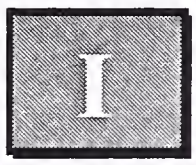

Introduction

This report and related research are a part of INPUT's European Software Product Support programme. The programme provides market research reports, consulting and recommendations to the management of leading suppliers in the information services industry.

A Scope

This report examines trends and issues affecting software product support. The main focus of the report is on:

- Issues and trends affecting support
- Current support practices
- Characteristics of successful support

B Purpose

The purpose of the research conducted for this report is to examine the support strategies of vendors of software product support. The report addresses questions such as:

- What are the current trends affecting software product support?
- What issues are currently concerning support vendors?
- How has software product support evolved to its current state?
- How important is software product support to vendor organisations?
- What plans do vendors have for improving and extending their support offerings?
- How can vendors ensure their success in increasingly competitive support markets?

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C
Definition

For the purposes of this report, software product support is defined as those continuing activities provided by a vendor that are necessary to make the product work, outside the delivery of the product itself. Exhibit I-1 lists the most common elements of software product support.

Exhibit I-1

Elements of Software Support Services

- Software installation
- Telecommunications provided support
- Software updates
- Remote diagnostics
- Software problems database
- On-site support (sometimes)
- Initial training

Source : INPUT

This formal definition is convenient for the purposes of analysing vendor activity, but it should be noted that some vendors may share the responsibility for carrying out these activities between a number of departments, and that other vendors may have a single department which carries out not only these but other activities.

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D
Methodology

This report used the following sources of information:

- Vendor Research
- Secondary research from INPUT's corporate library
- Ongoing analysis of European software products and other information services markets

During the last quarter of 1994 INPUT interviewed 21 European vendors of software product support.

The vendors were chosen to be representative of all types of organisations engaged in the provision of software product support. Exhibit I-2 gives a summary of the vendors' major characteristics.

Exhibit I-2

Vendor Respondent Profiles

Profile	Category	Number of Vendors
Vendor types:	Hardware vendors who also provide software	4
	Software vendors	17
Number of vendors supporting:	System software	7
	Applications software	17
Number of vendors with products running on:	PC/Workstation	12
	Minicomputer	17
	Mainframe	17
No. of respondents: 21	*Multiple responses permitted*	

Source : INPUT

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Respondents were all accountable for one or more of the following functions:

- *Delivery* of software product support
- *Business development* of software product support
- *Marketing* of software product support

E
Report Content

The remainder of this report is organised into four chapters and five Appendixes:

- Chapter II, *Executive Overview*, summarises the findings of this study.
- Chapter III, *Issues and Attitudes in the Software Product Support Market*, summarises vendors' current concerns and attitudes.
- Chapter IV, *Current State of Software Product Support*, examines the evolution of software product support to its current state, and reviews current trends in the software product support market.
- Chapter V, *Future Developments Planned by Vendors for Software Product Support*, discusses vendors' plans for developing their support offerings.
- Chapter VI, *Success Factors for Software Product Support*, summarises the major issues affecting software product support, and offers some guidelines for vendors who wish to enjoy continuing success in the field.
- Appendix A contains an overview of Microsoft Corporation's Microsoft Support Network.
- Appendix B contains an overview of Oracle Corporation's Worldwide Customer Support Programme.
- Appendix C shows the questionnaire used to gather information from vendors.

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F
Related INPUT Research

INPUT has published the following reports that address related issues:

- In the *Information Services Market Analysis — USA* programme:
  - Software Product Support Strategies — Trends and Issues
- In the *Software Product Support — Europe* programme:
  - Software Product Support — European Market Futures, 1994-1999
  - European Software Product Support, New Open Market Opportunities

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II

Executive Overview

A Introduction

Software product support is being delivered in a world that is rapidly changing for both users and vendors.

LAN-based client/server architectures are dramatically increasing user support costs at the same time as software product prices are declining.

More market growth will be found over the next five years in the market for software support than in the market for software products.

The move away from proprietary solutions towards *open* systems architectures increases the need for software vendors to support multivendor solutions.

An increasing diversity of users calls for a wider range of support services. The packaging and pricing of these services require overhaul.

B Vendor Concerns

1. Revenue and Customer Perception are Key Issues

The two major concerns raised by more than a third of all vendors interviewed for this report were:

- The need to generate revenue and/or profit from software product support
- The need to change customer perceptions about the value and quality of software product support

Falling profit margins on product sales have forced vendors to recognise the revenue opportunities inherent in support. They are beginning to monitor support revenue, although it is still rare to find support organisations that are regarded as profit centres.

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An increasingly competitive and *open* marketplace means that vendors cannot afford to take customers for granted. Products are coming to be regarded as commodities, and in competitive situations support is becoming a more significant factor in customers' purchasing decisions. Vendors feel they must convince customers of the quality of their support; manage customer expectations of levels of support; and – particularly in the PC world – persuade customers to pay realistic prices for the support of their software.

Vendors are having to invest more in training their support staff. As support ceases to be the poor relation within software organisations, so higher levels of professionalism are expected. Increased product complexity calls for more technical training, and training in problem-solving skills, telephone techniques and customer relations is now becoming more commonplace.

Competition is also beginning to emerge in the support marketplace itself, where in multivendor environments one vendor may offer a competitive threat by providing some elements of support for another vendor's product.

2. Vendors' Attitudes are Beginning to Change

Vendors now appreciate the importance of support as a source of revenue and profit, but still see support primarily as an adjunct to sales of the product. Around 20 percent of vendors feel that margins are not an appropriate measurement of support.

Over 90 per cent of vendors believe that bundling of all support no longer makes sense. Some prefer a mixed approach, whereby a certain amount of support is included in the licence fee but the majority of support is priced separately. This approach encourages the customer to use some support to maximise the chances of a successful implementation of the product, and yet recognises that the cost and price of support are largely unrelated to the cost and price of the product.

It is unlikely in the new *open* software world that a single vendor has all the skills needed to support his customer. Partnerships are needed in which each party brings one or more strengths to bear in meeting the customer's needs. Not all vendors have the skills and attitudes necessary to make partnerships work, but many understand the need to monitor the quality of support offered by third parties, and also to ensure that third parties are satisfied with the quality of assistance they in turn receive from the vendor. Overall, there is a tendency to see partners as a necessary evil, rather than a strategy to be pursued with enthusiasm.

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Vendors recognise the importance of offering flexible support, particularly to meet the needs of widely different categories of customers as illustrated in Exhibit II-1.

Exhibit II-1

Varieties of Customer Support Requirement

Type of Customer	Support requirements
Users of business-critical applications	Round-the-clock availability with guaranteed response times
Experienced programmers	Infrequent but high level
Inexperienced users	Ability to relate to non-computer literate caller, and to present solutions in clear and simple terms

Source: INPUT

C
The State of Software Support

1. The Historical Perspective

Exhibit II-2 shows the traditional profile of software product support offerings, which has changed little since the emergence of the software products business in the mainframe-dominated world of the 1970s.

Originally, the cost of some support items (most commonly, installation and initial training) was included in the product licence fee, whilst other items (most commonly, telephone support and the provision of fixes and enhancements) were provided on payment of an annual maintenance fee. The fee was typically set at 12 per cent of the product price, despite the tenuous connection between the cost of the product and the cost of delivering the support.

Until the 1990s, the only significant developments in the profile of software product support were:

- Increase in annual maintenance fees to between 15 and 20 per cent of the prevailing product price.

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Exhibit II-2

Traditional Software Support Offerings

- Initial training
- Occasional on-site support (often including installation of the product)
- Correction of bugs found in the product
- Routine enhancements to the product
- Telephone support:
  - to answer customers' questions about techniques and methods and to explain unexpected results
  - to take note of problems found in the product

Source: INPUT

- Development of the minicomputer software product support market along the same lines as the mainframe model described above.
- Development of the PC software product support along different lines:
  - Training available on a separate fee basis
  - No provision of on-site support
  - Enhancements and bug fixes only available with new releases, for which a separate charge is made
  - No charge for provision of telephone support (now becoming chargeable)

Exhibit II-3 illustrates the differences in charging for support between the PC and mainframe/minicomputer markets.

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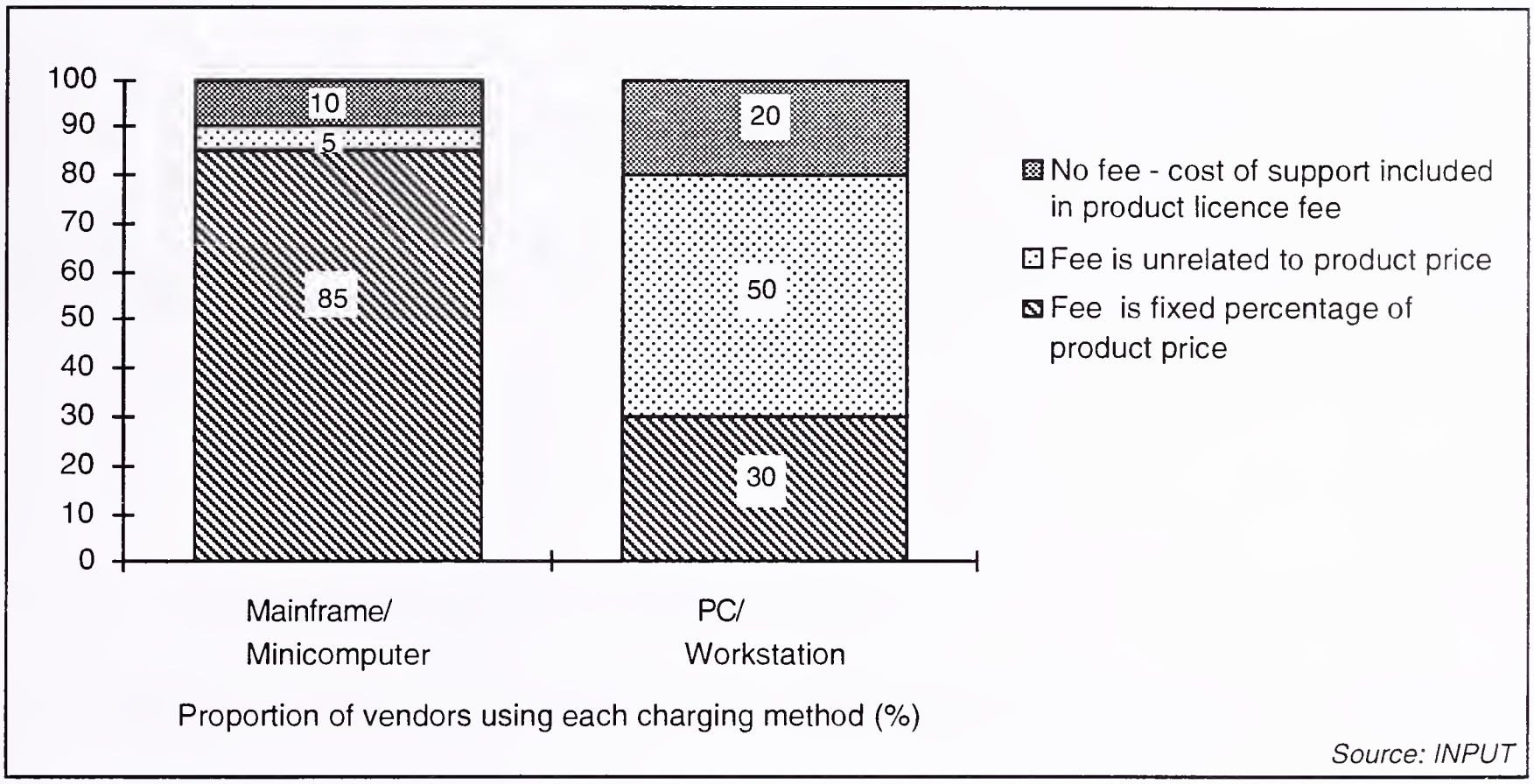
Exhibit II-3

Comparison of Charging Methods between PC/Workstation and Mainframe/Minicomputer



Source: INPUT

2. Support Offerings Become More Flexible

Vendors are now beginning to offer more extensive and more flexible support. Items common to at least 50 percent of all surveyed vendors' basic services included:

- Software helpdesk support
- Software bug fixes
- Electronic bulletin board
- Remote diagnostics

There is an emerging tendency to offer various levels of service aimed at different customer needs. Oracle, for example, has a *Worldwide Customer Support Programme* which offers four levels of support and additional *Field Support* options. Appendix B contains fuller details of the Oracle service.

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Some vendors offer different services tailored to different types of product and different types of customer. For its *Microsoft Support Network*, Microsoft Corporation has identified four different product groups and has defined support offerings which vary according to product group. Appendix A contains further details of the Microsoft Support Network.

3. Current Trends Force Further Change

Recent developments have enforced some rethinking of support:

- The introduction of complex LAN-based client/server architectures generates a need for more expensive multivendor support.
- The structure of software product licence fees has become increasingly complex, and has made many people question the logic of basing support prices on an apparently arbitrary percentage of a product price.
- Customers' support demands are becoming more diverse, creating a demand for flexible packaging of support offerings.
- Technology offers ways of enhancing and extending support services.
- Software product prices are declining, and software product support markets are growing faster than software product markets.
- As markets become more competitive, vendors have to become more receptive to customer needs.

D
Vendor Plans to Enhance Software Product Support

Exhibit II-4 summarises the key elements of vendor plans.

Over 60 percent of respondents plan to respond to competitive pressures by increasing their marketing activity for support. They want to present support in a positive light as a key benefit.

Packaging will continue to evolve along the lines exemplified in Appendixes A and B.

Support prices which represent a percentage of product price are no longer appropriate, and most vendors are moving towards pricing based upon some combination of cost of delivery and usage of service.

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Exhibit II-4

Vendor Strategies to Attract Customers and Improve Margins

- Attract customers by:
  - Better marketing
  - Flexible packaging
  - Flexible pricing
  - Improved upgrade processes
- Improve margins by:
  - Increased productivity
  - More use of technology
  - Quality initiatives
  - Charging for support of PC products

Source: INPUT

Planned uses of technology include:

- Implementing helpdesk management software
- Using telephony, call queuing and call management
- Using CD-ROM to distribute information on known problems and problem resolutions
- Implementing video and desktop conferencing

Technology itself is an aid to productivity; other planned productivity improvements include:

- More staff training
- Reduced call volumes as a result of improved software quality
- Organisational changes, including centralising support and hiring more multilingual staff

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Seventy six per cent of vendors plan to respond to customers' requirement to be able to install new releases of software in a more cost-effective and trouble-free manner. Vendors saw no immediate panacea, but mentioned a number of straightforward approaches, including better use of technology, better compatibility between releases of software, and provision of a special customer upgrade service. A combination of all these approaches offers the best hope of success.

E
Key Conclusions

Vendors are most likely to be successful if they:

- Recognise customer sensitivities
- Adopt a business orientation
- Use technology effectively
- Consider partnerships
- Focus on quality

1. Successful Support Businesses Need Satisfied Customers

The increasing diversity of customers, from departmental users of PC products to professional mainframe programmers, calls for a corresponding diversity of service.

Customers want prices that are equitable and logical. Customers who have become used to "free" support may have to be subjected to a painstaking process of re-education, but most people will pay for a service that meets a real need at a fair price.

Open client/server solutions create a need for multivendor support, and vendors should adapt their strategies accordingly. A good model is the TSANet consortium of vendors, established in the United States in 1992 and not yet present in Europe. The members of the consortium – who include Hewlett Packard, IBM Novell and Oracle – agree to work together to resolve problems in multivendor environments, and to accept joint ownership of customer problems.

Another appropriate strategy for multivendor environments is for vendors to support the whole environment in which their product runs, including elements supplied by other vendors.

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Vendors should be willing to help customers set up internal helpdesks that take over the first line of support from the vendor's staff.

Vendors must monitor their success in delivering customer satisfaction by independent surveys and other informal means, and act upon the information gathered as a result of this monitoring.

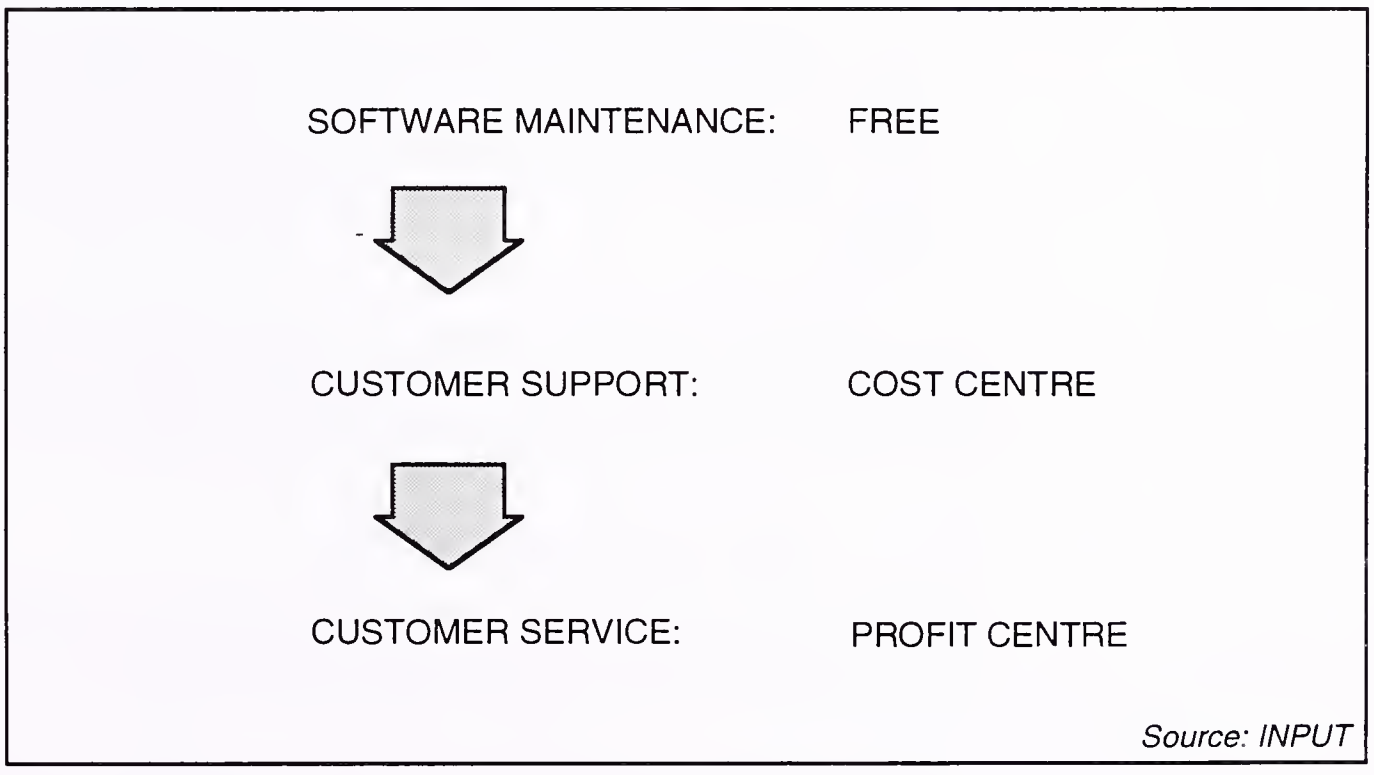
2. Support Organisations Must be Treated as Profit Centres

Decreasing profit margins in product markets are forcing vendors to re-appraise the role of support in their organisations. Support must now be viewed not as a necessary evil but as a key element of the vendor's business, and as a contributor to profit with its own dedicated marketing and sales effort.

Exhibit II-5 shows the evolution of attitudes to software product support. There is an implied relationship between value and price: the customer service approach involves a highly sophisticated support which can command a premium price.

Exhibit II-5

The Evolution in Attitudes to Software Product Support



Source: INPUT

Vendors should consider leveraging the skills of their support staff to break into other areas as long as this does not dilute the quality of the support service. Examples of this include the provision of professional services based around the use of the vendor's software product, and helpdesk support of customer written applications.

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Large vendors may be able to achieve economies of scale by reducing the number of their major support centres. In so doing, however, they must ensure that customers don't lose access to first-line support that is provided in their own time zone and their own language, irrespective of its physical location.

3. Technology is the Key to Cost Reduction

Vendors should regard electronic bulletin boards and call-logging, problem-tracking and service level monitoring software as indispensable elements of an effective support service. They should be actively considering the benefits of other facilities such as:

- Telephony services to switch calls between centres at times of overload
- Fax services to automate receipt of problems and dispatch of solutions and other information
- Increasingly widespread online services like CompuServe
- Automated software delivery

They should remember, however, that technology can be misused, particularly if it seeks to remove the human element from the support process. Voice mail, for example, is an effective technology that, in the wrong hands, can make customers feel that they are not valued by the vendor.

The opportunity to talk directly to support staff should never be excluded from support services, and technology must be regarded as an adjunct to the human element rather than a replacement for it.

4. Partnerships Make Sense

Vendors should embrace partnerships willingly rather than reluctantly, and recognise they can't do everything themselves.

Vendors who allow other organisations to represent them, however, must be sure to monitor closely the quality of the third party's support. Certification schemes with frequent follow-up checks are required to maintain the customers' confidence in the support they receive.

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5. Vendors Must Commit to Quality

Vendors must attain ISO 9000 quality certification, and understand that quality is more important than quantity. It is not enough just to hire more staff or extend helpdesk availability hours – customers appreciate good service during business hours better than bad service round the clock.

The quality of support staff is vital. Training is required not only to ensure technical expertise, but also to master the softer skills involved in handling customers with appropriate sensitivity.

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III

Issues and Attitudes in the Software Product Support Market

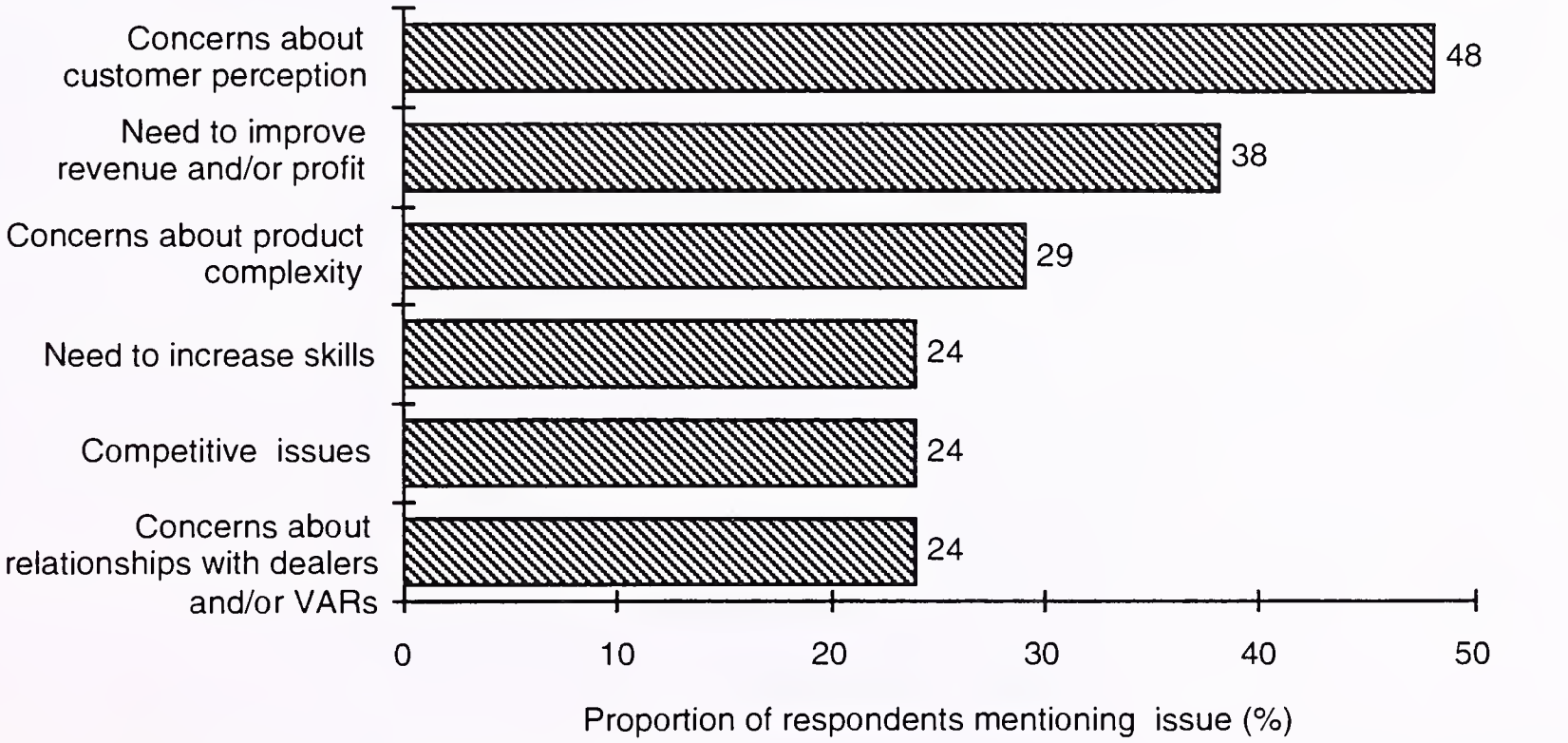
A
Major Software Product Support Concerns for Vendors

The provision of software product support is taking place in a changing world. New architectures, falling product prices and increased competition are causing users to demand a more responsive service, and vendors to rethink their support strategies.

Vendors recently interviewed by INPUT raised a variety of concerns that affect the provision of software product support. Exhibit III-1 lists the issues that were raised by more than 20 percent of all respondents.

Exhibit III-1

Common Issues for Software Support Vendors



Number of respondents: 21 *Multiple responses permitted* *Source: INPUT*

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1. Vendors Need to Change Customer Perceptions

Vendors are having to accept that customers have views and concerns that must be respected, and that customers are no longer a captive support market. As software support follows the trend to openness, customers may choose between several sources for some aspects of support.

Some vendors spoke of the need to improve customer perceptions of the quality of their support; others spoke of the need to convince customers of the value of support (as a prerequisite to charging a market price for that support). One major vendor spoke of the need to manage customers' expectations of support, pointing out that his company's product (an open relational database management system integrated with a family of related tools) could be used in an estimated 2.5 million combinations of open systems environment; it was not reasonable to expect all combinations to have been tested.

2. Increasing Focus on Profit Potential of Support

Falling profit margins on product sales have forced vendors to recognise the revenue opportunities inherent in support.

Attitudes, however, are changing very slowly. Support is still not widely recognised as a profit centre, nor is its management rewarded for attaining levels of revenue or profit.

Some vendors were determined not to let margins fall, others were concerned to introduce realistic pricing for the services they offered, despite worries about customer reactions to the prospect of starting to pay for support of desktop products.

Some vendors expressed concern that a move from free support to chargeable support opened up the market to competitors.

3. Vendors Concerned at Increasing Product Complexity

Many vendors, notably those with products running in an *open* client/server environment, remarked upon the effect on support of increased product complexity. Among the effects noted were:

- Increase in support costs
- More training needed for support staff
- Different calibre of support staff required
- Multivendor support becomes more of an issue

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4. Need to Increase Skills of Support Staff

In part because of the reasons noted above, vendors are having to invest more in training their staff.

Another reason is heightened customer expectation. As support ceases to be the poor relation within software organisations, so higher levels of professionalism are expected. Training in problem-solving skills, in telephone techniques and in customer relations is becoming prevalent where once the necessary skills were acquired in an extremely *ad hoc* fashion.

5. Support Becomes a Competitive Issue

Many vendors expressed concern at the competitive nature of the markets in which they operated. Two types of competition were noted:

- *Product competition*: this was the most frequently mentioned form of competition. Generally, respondents felt that as products came to be regarded as commodities, so support was becoming a more significant factor in customers' purchasing decisions. This was another reason for the emergence of support from the backroom to become part of the leading edge of a vendor's competitive strategy.

- *Support competition*: this was not mentioned as often as product competition, but was an emerging concern. In multivendor environments, one vendor may offer to provide some elements of support for another vendor's product and thus offer a competitive threat. Support competition is not yet a major trend, but INPUT expects it to grow in the same way that third-party maintenance introduced competition to the market for hardware support.

6. Importance of Vendor Relationship with Partners

In the new *open* software world, the vendor does not own customers; rather, they are shared with various partners such as dealers and VARs who each bring some special quality to the relationship.

Vendors were concerned to monitor the quality of support offered by third parties, and also to ensure that third parties were satisfied with the quality of assistance they in turn received from the vendor.

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B
Vendors' Changing Attitudes towards Software Product Support

The issues that concern vendors condition their attitudes towards software product support. Some of these attitudes are changing more rapidly than others, and not all are changing as rapidly as economic conditions and competitive pressures suggest they should.

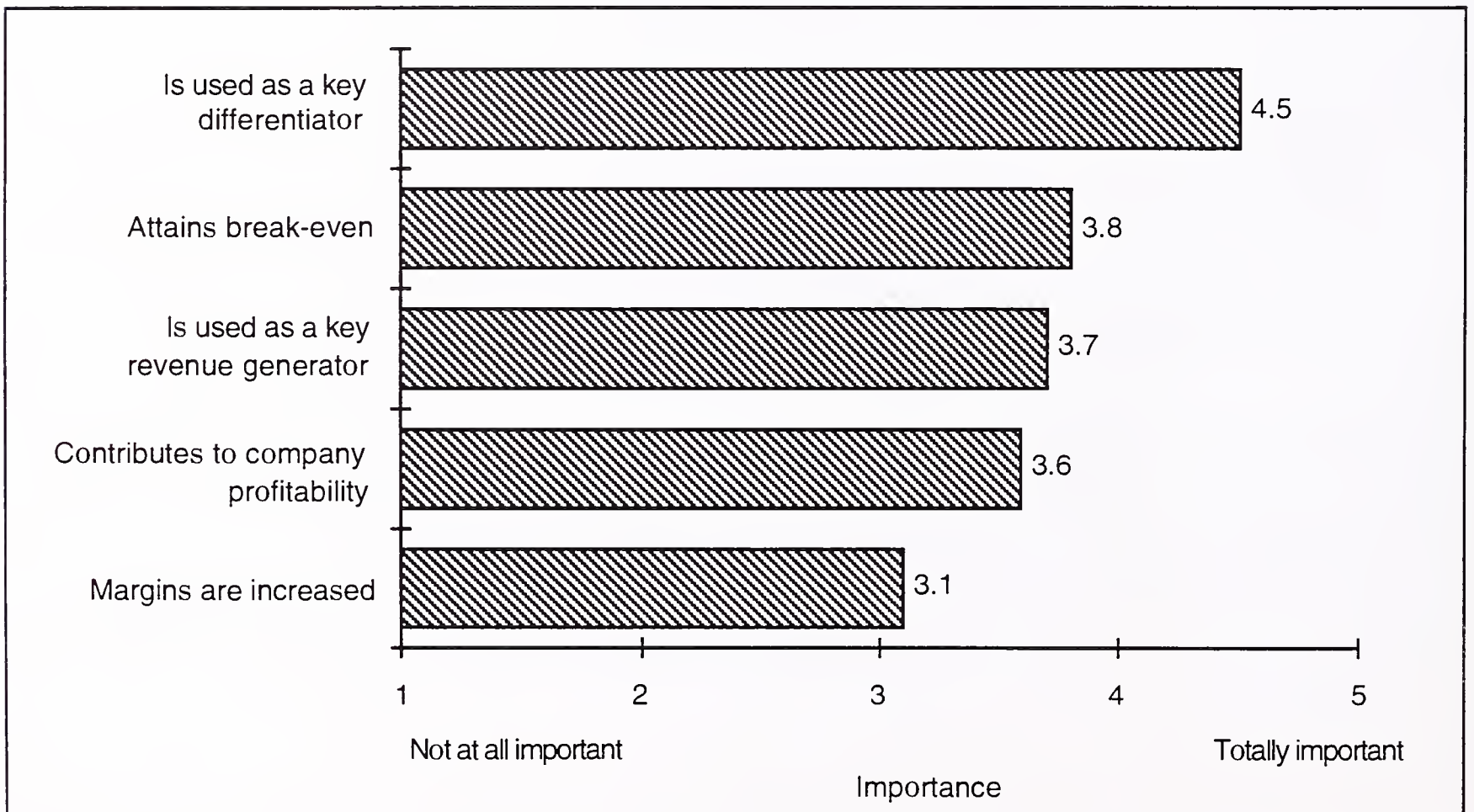
1. Revenue Still Not the Primary Measure of Success

Exhibit III-2 summarises vendors' views on the measurement of success in the provision of support services.

Vendors are beginning to appreciate the importance of revenue and – to a lesser extent – profit, but these issues still take second place to the view that support helps the product rather than having importance in its own right. Nineteen per cent of respondents felt that margins should only be maintained, rather than increased, and another 19 per cent felt that margins were not an appropriate measure of support.

Exhibit III-2

Critical Success Factors in Providing Software Support



Sample of 21 respondents. Average standard error = 0.2 *Source: INPUT*

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2. Support Still Regarded as a Means to an End

Similar views emerged when respondents were invited to state the principal role of software product support for their organisation. Exhibit III-3 summarises their views.

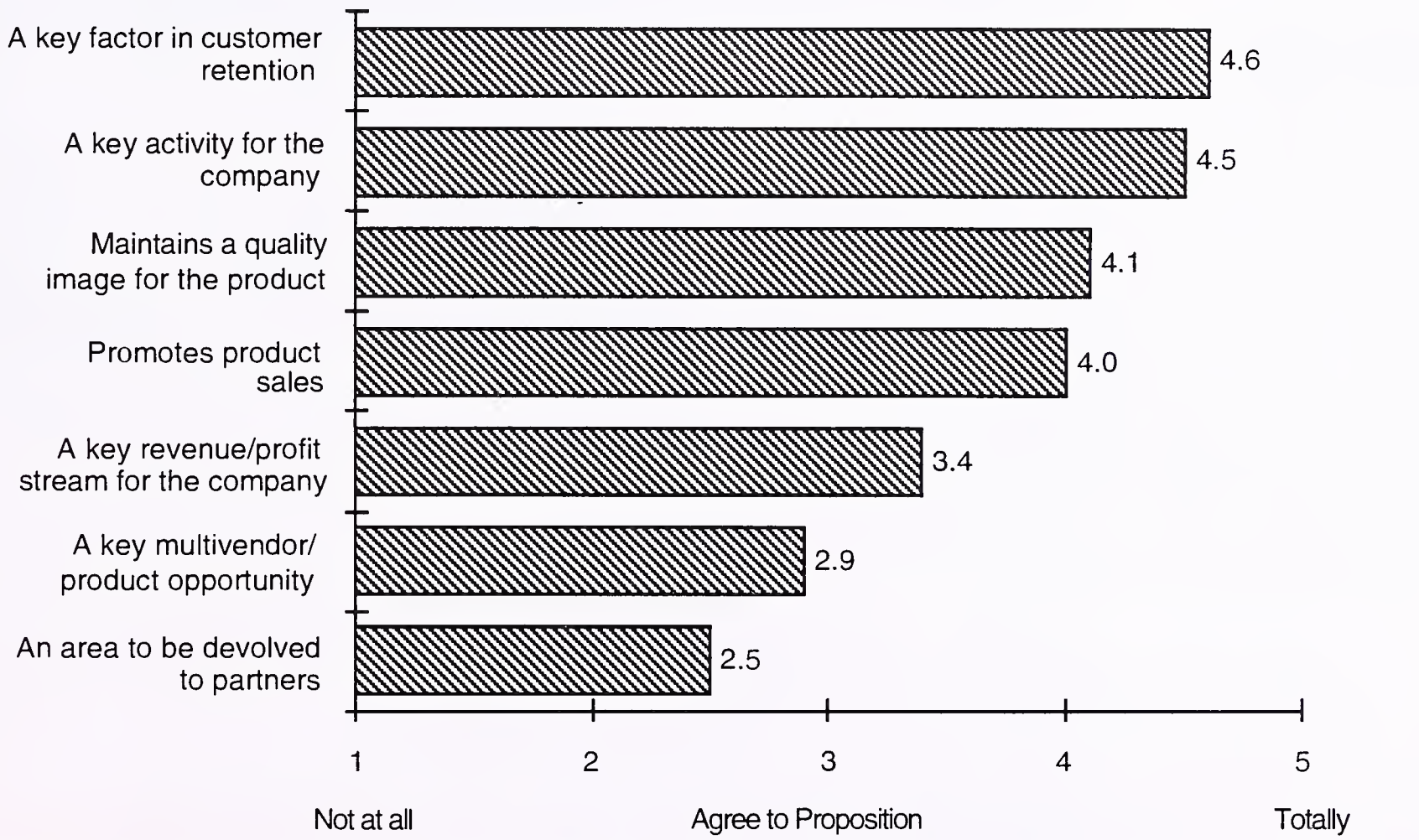
Again, there is a tendency to view software product support as a means to an end rather than an end in itself.

Despite the recent lead given by Microsoft and others, support is not generally viewed as an area to be devolved to partners, except in special cases, including:

- Where partners sell the product and therefore have a first-line relationship with customers
- Where the vendor's business is growing too quickly for one organisation to handle all its customers' support needs

Exhibit III-3

Principal Role of Software Product Support



Sample of 21 respondents. Average standard error = 0.2

Source: INPUT

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3. Bundling of Support Now Firmly out of Favour

Over 90 percent of vendors were of the view that bundling of all support no longer made sense. A majority were in favour of unbundling all support, although around a quarter of respondents preferred a mixed approach.

The mixed approach, whereby a certain amount of support is included in the licence fee but the majority of support is priced separately, offers the best of both worlds. It encourages the customer to use some support to maximise the chances of a successful implementation of the product, and yet it recognises that the cost and price of support are largely unrelated to the cost and price of the product.

Exhibit III-4 summarises vendor views on bundling.

Exhibit III-4

Vendor Preferences concerning Bundling of Support

Preference	Proportion of respondents expressing preference (%)
Prefer bundling	10
Prefer unbundling	67
Prefer a mixed approach.	24
No. of respondents: 21 Because of rounding, percentages may not add up to 100	

Source: INPUT

4. Mixed Views on Involving Third Parties in Support

INPUT asked vendors whether they encouraged channel partners and customers to pick up some support activity. Their responses are summarised in Exhibit III-5.

A number of vendors emphasised their flexibility. They were prepared to consider any approach that enhanced customer satisfaction. Others feared that they would lose revenue if they didn't provide all the support themselves.

Where VARs or other partners had a closer relationship with the customer than the software vendor, it made sense to allow the VAR to provide first level support. Similarly, it made sense for a customer to establish an internal helpdesk to address simple questions where a close relationship with the user was a key factor. More complex questions could still be passed to the vendor for resolution.

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The mixed responses of vendors no doubt reflect the fact that in reality many approaches are feasible, and that an appropriate approach should be sought which best satisfies the various needs of the customer, the vendor and the vendor's partners.

Exhibit III-5

Vendor Preferences regarding Bundling of Support

Answer	Proportion of respondents answering (%) CHANNEL PARTNERS	Proportion of respondents answering (%) CUSTOMERS
Yes	53	38
No	24	29
Neutral	24	33

QUESTION: Do you encourage channel partners and major account customers to pick up support activity?

No. of respondents: 21 Because of rounding, percentages may not add up to 100

Source: INPUT

5. Flexible Support a High Priority

Vendors recognised the importance of offering flexible support. They mentioned three cases for special treatment:

- *High service level for business critical users*: many products are now used to build and run applications that are central to the business strategy of their users' organisations. In such cases customers demand – and are willing to pay for – higher levels of support, including extended hours of coverage and availability of dedicated support staff.

- *"Single Incident" support for experienced programmers*: some customers are unwilling to pay an annual fee for a service that they may never need. Such customers do, however, need effective and timely support on the rare occasions when they encounter a problem that they cannot circumvent.

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- *Support for "user" customers*: distributed computing has greatly increased the number of users who are less computer-literate than traditional datacentre programmers and analysts. Such users expect and need sensitive support.

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IV

Current State of Software Product Support

Until recently, the nature and pricing of software product support has changed little from a model that evolved over 20 years ago. Elements of that original model still pervade the present support world, although it is now beginning to undergo massive change.

A
The Evolution of Support

In the early 1970's the software product business emerged as a separate entity from hardware, and companies were created whose sole business was to develop and market software products. In the main, this new business offered products which ran on mainframe hardware platforms.

Customers acquired a licence entitling them to use a software product either perpetually or for a specified number of years. A need rapidly emerged for customers to receive various types of support to enable them to make effective use of the product. This support covered four major areas:

- Initial training
- On-site support (often including installation of the product)
- Correction of bugs found in the product
- Enhancements to the product (sometimes excluding "major" enhancements which were subject to a separate fee)
- Telephone support:
  - to answer customers' questions about techniques and methods, and to explain unexpected results
  - to take note of problems found in the product

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Charging for this support took various forms: the cost of some items (most commonly, training and installation) was often included in the product licence fee; other items (most commonly, telephone support and the provision of fixes and enhancements) were often provided at no cost for an initial period of up to a year, and thereafter were provided on payment of an annual maintenance fee.

The annual maintenance fee was at first most commonly set at 12 per cent of the product price, probably on the basis that this represented one per cent per month. Such an arrangement is logical when applied to services whose cost relates to the cost of the product (for example, the provision of new releases of the product); it is not logical when applied to services whose cost does not relate to the cost of the product (for example, the provision of telephone support, where the main cost element is the payroll and related costs of the telephone support staff).

Despite the inherent lack of logic, annual maintenance fees have until very recently continued to be the vehicle for charging for support, and have continued to be calculated as a per centage of the product price.

B
Current Support Offerings

1. Three Major Developments

Until recently, the profile of software product support has not changed significantly, and the simple model described above has sufficed to meet user needs. Over time it has been expanded in response to some major developments in the marketplace:

- Annual maintenance fees have gradually increased from 12 per cent to between 15 and 20 per cent of the prevailing product price.
- More and more software products have become available for various minicomputer hardware platforms, and the nature and cost of support for these products has broadly followed the mainframe model described above.
- PC software product support has followed a different route:
  - Training has been available on a separate fee basis, both from the software vendor and from many third parties.
  - On-site support has not been provided.

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- Enhancements and bug fixes have only been available to customers on payment of an upgrade fee to acquire a new release.

- Telephone support has typically been provided at no cost.

2. Profile of Support Offerings

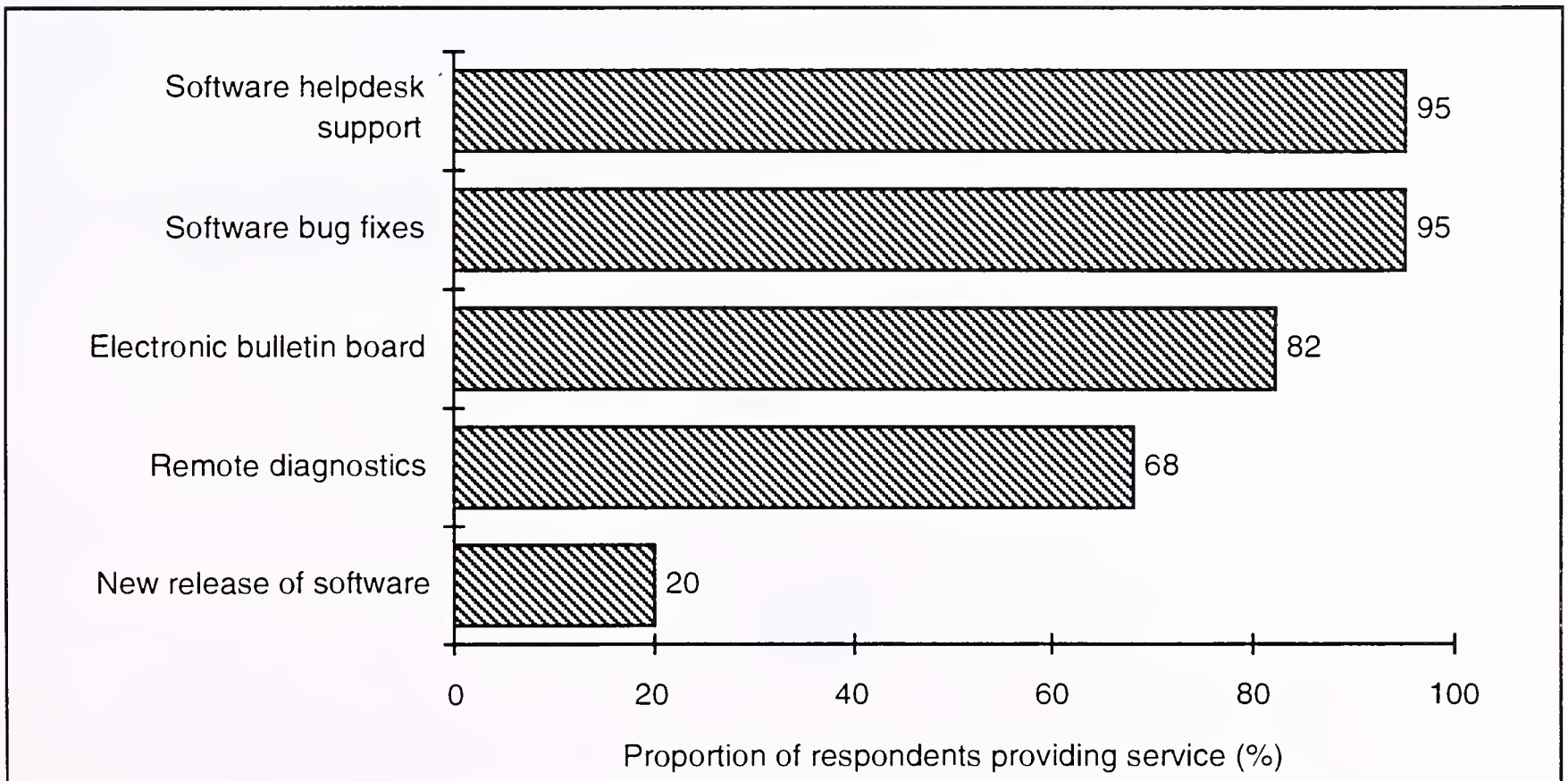
The issues described in Chapter III have forced vendors to introduce more extensive change to their support process. Some vendors now offer a basic service together with a number of optional extras. Appendix B contains a well-developed example of this model as offered by Oracle Corporation.

Some vendors offer different services tailored to different types of product and different types of customer. Appendix A contains a well developed example of this model as offered by Microsoft Corporation.

Exhibit IV-1 lists the offerings most commonly contained in vendors' basic (in some cases, only) service.

Exhibit IV-1

Vendor Software Product Support Services Provided



Number of respondents: 21 *Multiple responses permitted* *Source: INPUT*

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Exhibit IV-2 lists the services that are most frequently offered as optional extras.

In fact a wide range of additional services was offered, only two of which (extended helpdesk hours and tiered service) were offered by more than 25 per cent of respondents. Vendors offered various explanations of their reasons for offering optional services. Exhibit IV-3 shows the most commonly mentioned reasons, with the needs of customers emerging as the most important factor in vendors' current thinking.

Exhibit IV-2

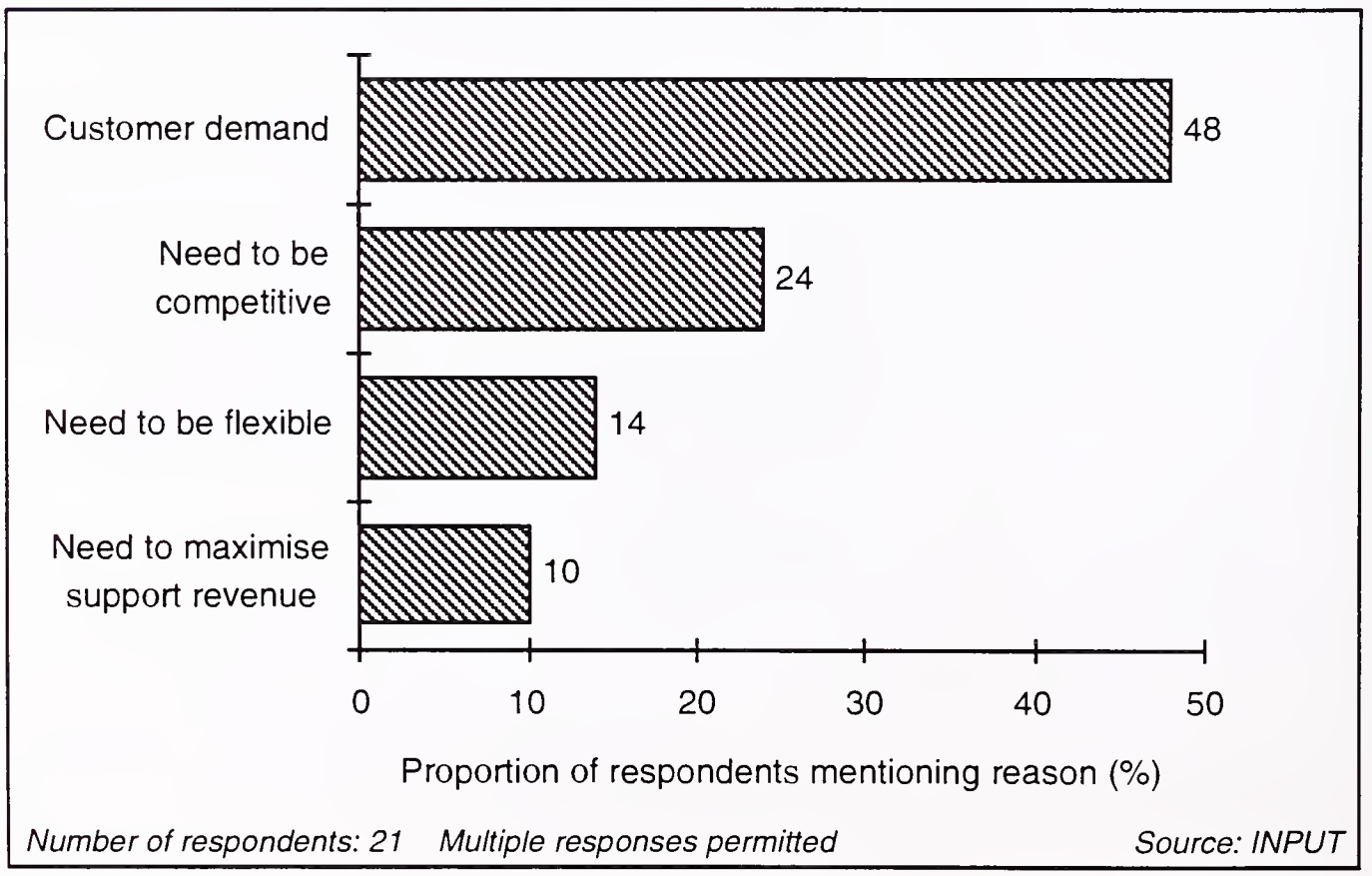
Vendor Software Product Support Services Offered as Optional Extras

Software Product Services	Proportion of respondents (%)
Software helpdesk support – extended hours	48
Tiered support – additional service levels	29
No. of respondents: 21 Multiple responses permitted	

Source: INPUT

Exhibit IV-3

Frequently Mentioned Reasons for Offering Optional Extra Support Services



Number of respondents: 21 Multiple responses permitted *Source: INPUT*

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C
Current Trends

Although change in the profile of software product support has been very gradual until recently, a number of changes have emerged in the 1990's.

Change has been driven by a number of trends in and around the software product support business:

- Support costs are rising as a result of increasingly popular LAN-based client/server architectures.
- Open architectures call for multivendor support.
- Software product prices are declining.
- Vendors of PC software products have begun to unbundle support from the software licence fee, and to charge for support.
- The structure of software product licence fees has become increasingly complex.
- Customers demand more flexibility in support packaging and pricing.
- Technology offers ways of enhancing existing support services and creating new support services.
- Software products are being regarded as commodities.
- Software product support markets are growing faster than software product markets.

Operating environments have become very complex, with software products running on mixed hardware and under multiple operating systems, often using complex networks. Compared with products from the mainframe datacentre environment of the 1970's, today's software products clearly require a more sophisticated, and therefore more costly, support infrastructure.

The complex environments described in the previous paragraph may be supplied by a single major vendor such as IBM. More commonly, several vendors are involved, each supplying a different element of an application, including:

- Computer hardware
- Network hardware and software

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- System software
- Applications software

Once products are supplied by multiple vendors, then support may also be required from multiple vendors.

Recessionary times have caused fierce competition, and falling prices have been observed in software product markets. It is significant that these falling product prices coincide with increases in the cost of support. Vendors may conclude that they cannot afford to offer support at or below cost price if they are to survive and prosper.

Some large and fast-growing PC vendors, notably Microsoft, appear to have reached this conclusion, and have started making support a chargeable item.

It has become difficult to sustain the calculation of support fees as a per centage of software product prices now that the product prices themselves have become so complex. Among the alternative approaches now adopted to software product pricing are:

- Site licences
- Per user licences
- Enterprise licences
- Volume discounts
- Usage licences
- Prices based on the CPU

Not only do these changes make it administratively more difficult to calculate support charges on the traditional "percentage" basis, they also draw attention to the illogicality of using product price as a basis for calculating support fees, and they encourage customers to demand more flexible and more logical support pricing arrangements.

Exhibit IV-4 summarises current pricing practice for standard support offerings. Where more than one service level is offered, the lowest level is used.

Vendors have come to appreciate that customer satisfaction is a key to success, and that in today's competitive environment it is no longer enough to pay lip service to customers' needs.

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For their part, customers have begun to flex their muscles and are no longer prepared to submit meekly to ways of delivering and charging for support that have been imposed on them by vendors on a seemingly arbitrary basis.

Exhibit IV-4

Current Pricing Practices for Software Support Vendors' Standard Support Offerings

Pricing Mechanism	Hardware Platform		
	Mainframe	Mini-computer	PC/ Work-station
	Number of respondents		
	17	17	12
	Proportion of respondents using mechanism (%)		
Fixed fee: 12 to 15% of product price	76	53	17
Fixed fee: 15 to 18% of product price	12	24	8
Fixed fee: over 18% of product price	0	6	8
Included in product licence fee	12	12	17
Not related to product price	0	6	50
No. of respondents: 21 Because of rounding, percentages may not add up to 100			

Source: INPUT

Vendors now commonly use customer satisfaction as a measure of their success in providing customer support. Exhibit IV-5 lists the most frequently used measures of success.

As customers demand new services and vendors seek to respond without increasing their costs, technology may offer solutions that are acceptable to both parties. Electronic Bulletin Boards, for example, allow customers to get answers at times when telephone support is not available, and vendors to reduce their requirement for costly human resources.

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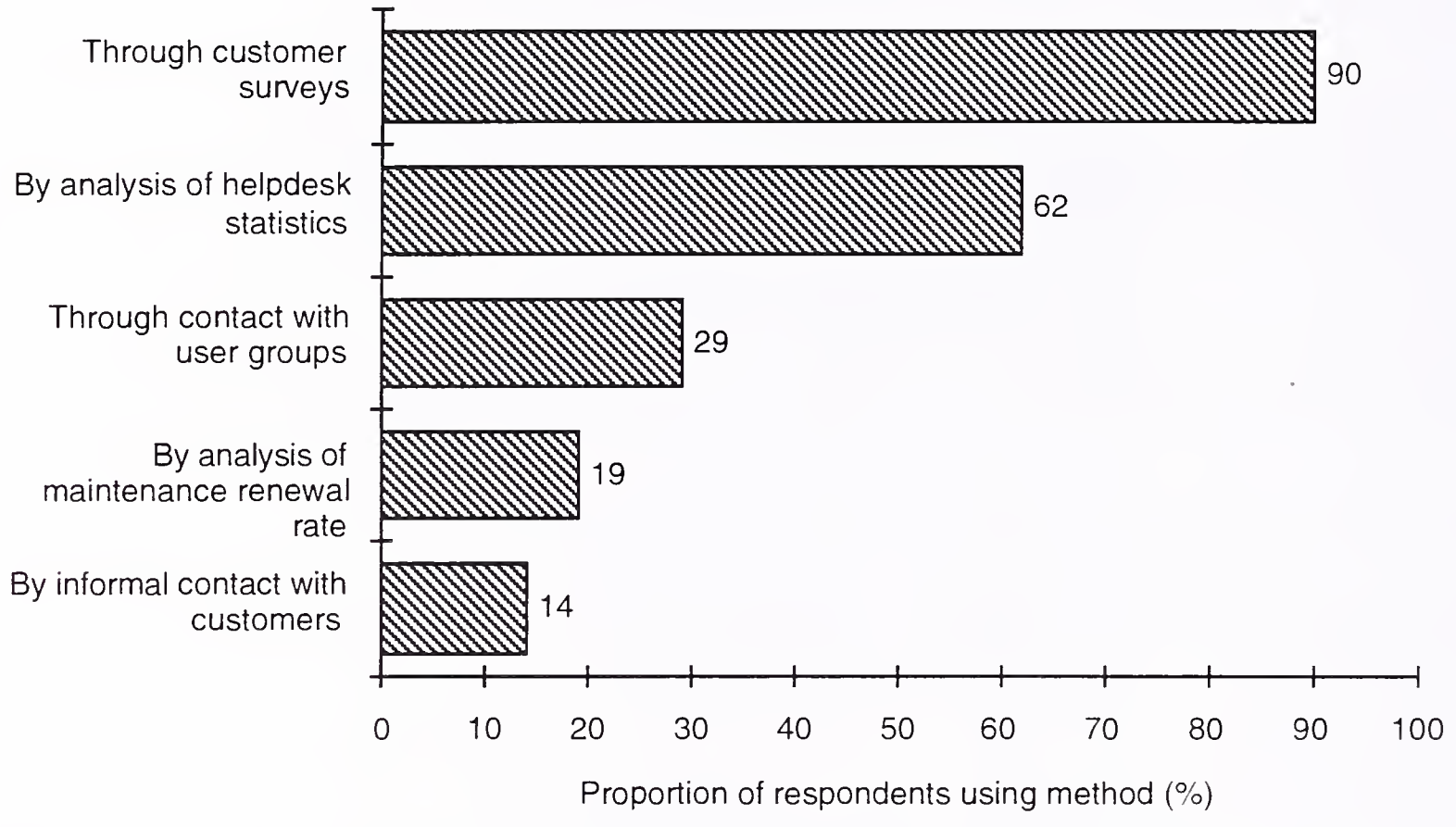
Exhibit IV-5

Methods of Measuring Success in Providing Software Product Support



Number of respondents: 21 Multiple responses permitted *Source: INPUT*

Among the ways in which technology is being used to improve the quality and reduce the cost of support services are:

- Remote software distribution
- Remote diagnostics
- Freephone support numbers
- Electronic Bulletin Boards
- Image/fax services
- Improved problem management systems, using *expert systems* technology
- Embedded documentation
- Embedded training

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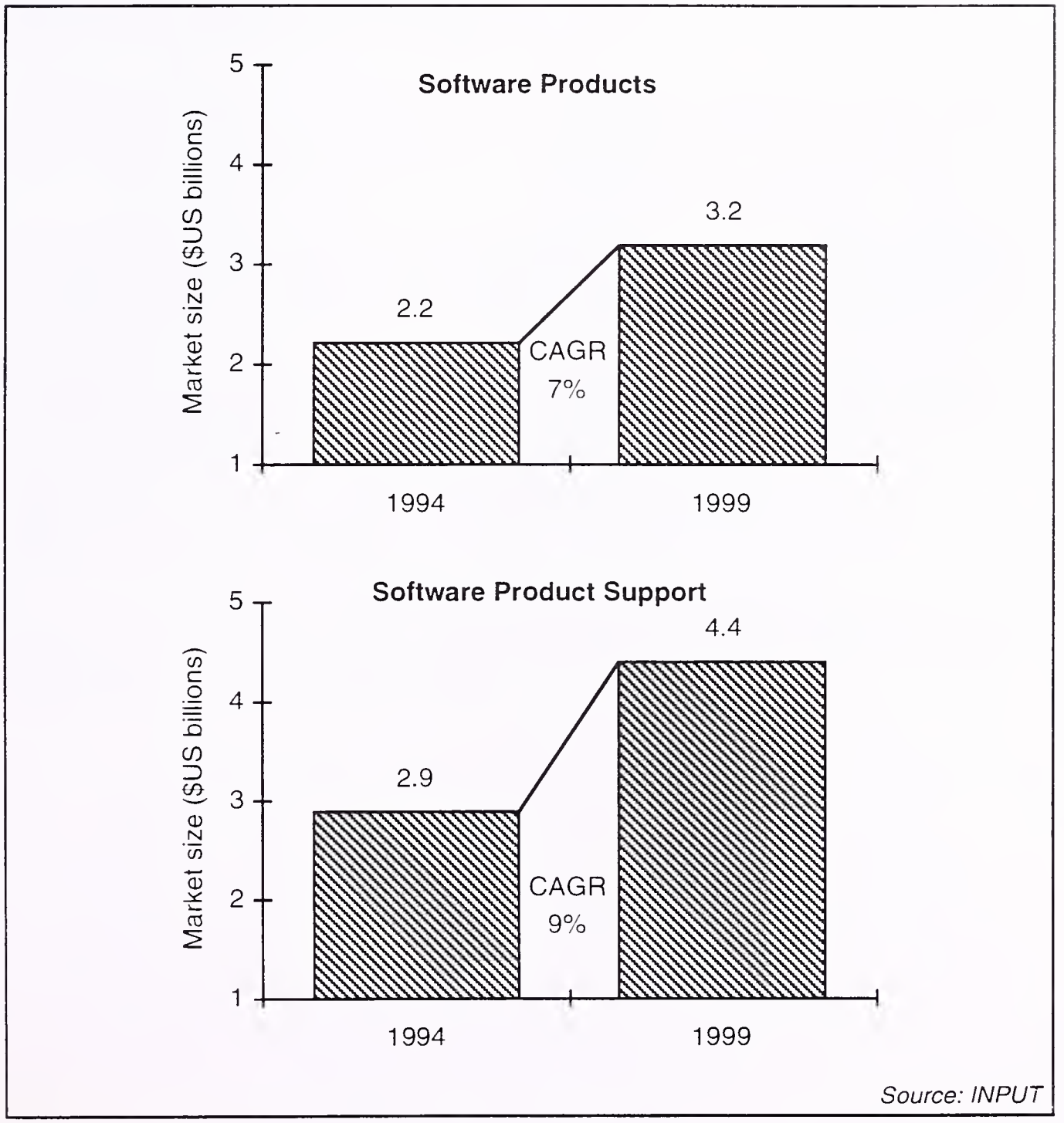
The growing maturity of the software products market means that products are being regarded more and more as commodities. If, say, one database package is much the same as another, then purchasing decisions will be heavily influenced by the quality of the support that the vendor can provide.

Cost reduction need not be the only goal of support vendors. A recent INPUT report, *Software Product Support – Europe for Market Futures, 1994-1999* forecasts faster growth in European software product support markets than for software product markets. Exhibit IV-6 summarises the anticipated growth.

Exhibit IV-6

Anticipated Growth in Software Product and Software Product Support Markets, 1994-1999



Source: INPUT

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Such trends suggest that support should be treated as an opportunity rather than a burden; software product support will bring in increasing revenue that will be recurring and/or continuous.

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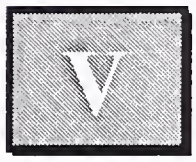

Future Developments Planned by Vendors for Software Product Support

A Marketing and Promotion Activity Set to Increase

Whatever the role of software product support, vendors are beginning to take it more seriously. Sixty-two per cent of respondents planned to increase their marketing activity for support.

Many vendors commented that support was now a key benefit, and one vendor noted the importance of delivering a more upbeat message about support.

Another vendor emphasised the importance of proactive marketing as support was now itself becoming a competitive battleground.

Exhibit V-1 illustrates vendors' commitment to active promotion of software product support.

Various mechanisms were mentioned by those vendors who did promote or planned to promote their support services. Exhibit V-2 lists the most frequently mentioned approaches.

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Exhibit V-1

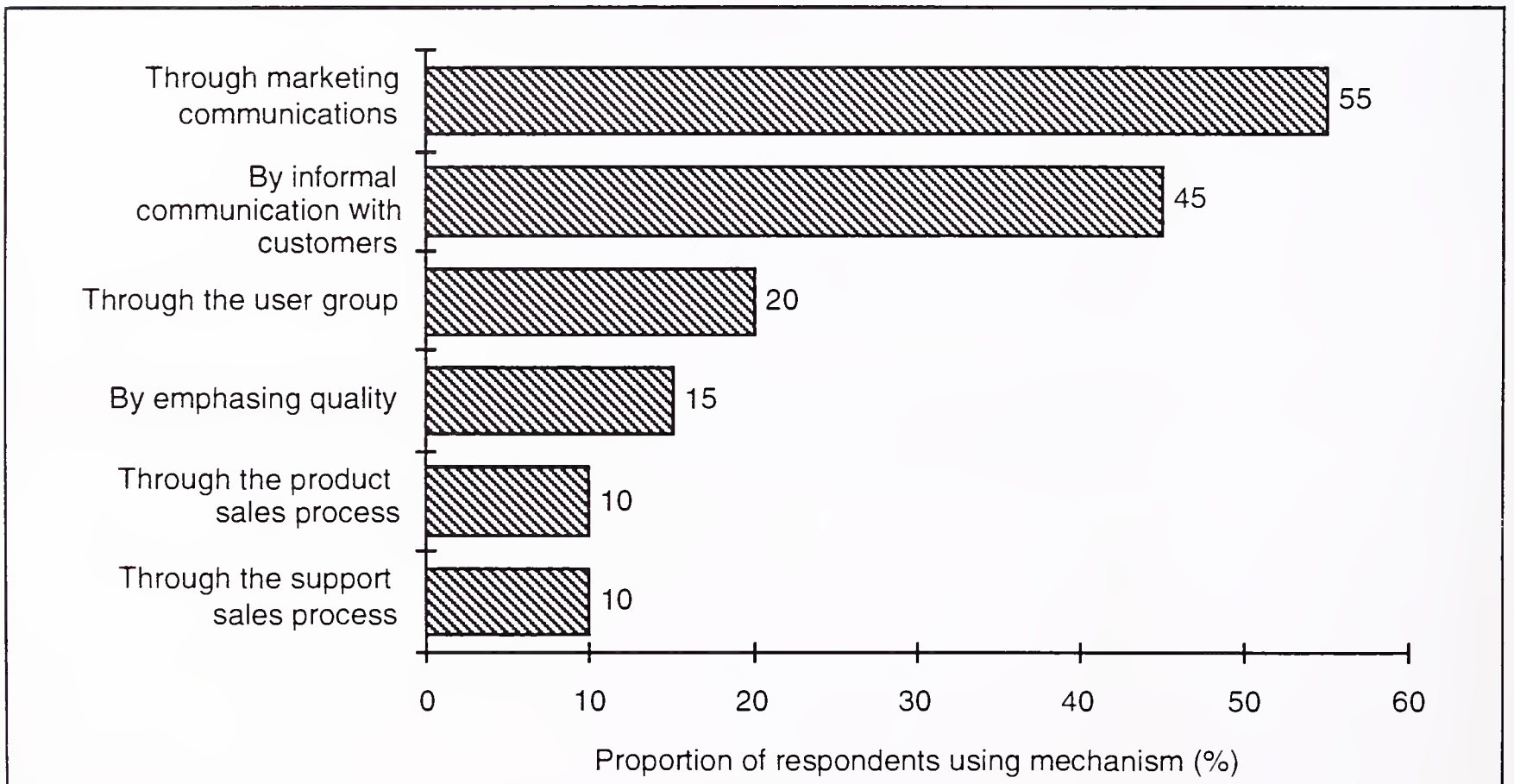
Extent to which Vendors Actively Promote the Value of Software Product Support

Answer	Proportion of respondents answering (%)
Yes	71
Indirectly	5
It is a future plan	19
No	5
QUESTION: Do you actively promote the value of software product support?	
No. of respondents: 21 Because of rounding, percentages may not add up to 100	

Source: INPUT

Exhibit V-2

Commonly Mentioned Mechanisms for Promotion of Support Services



Number of respondents: 20 Multiple responses permitted *Source: INPUT*

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B
Pricing to Become More Flexible

The flexibility inherent in, for example, the Microsoft and Oracle support programmes shown in Appendixes A and B is clearly a model for the future, and just as programmes must change, so must their pricing.

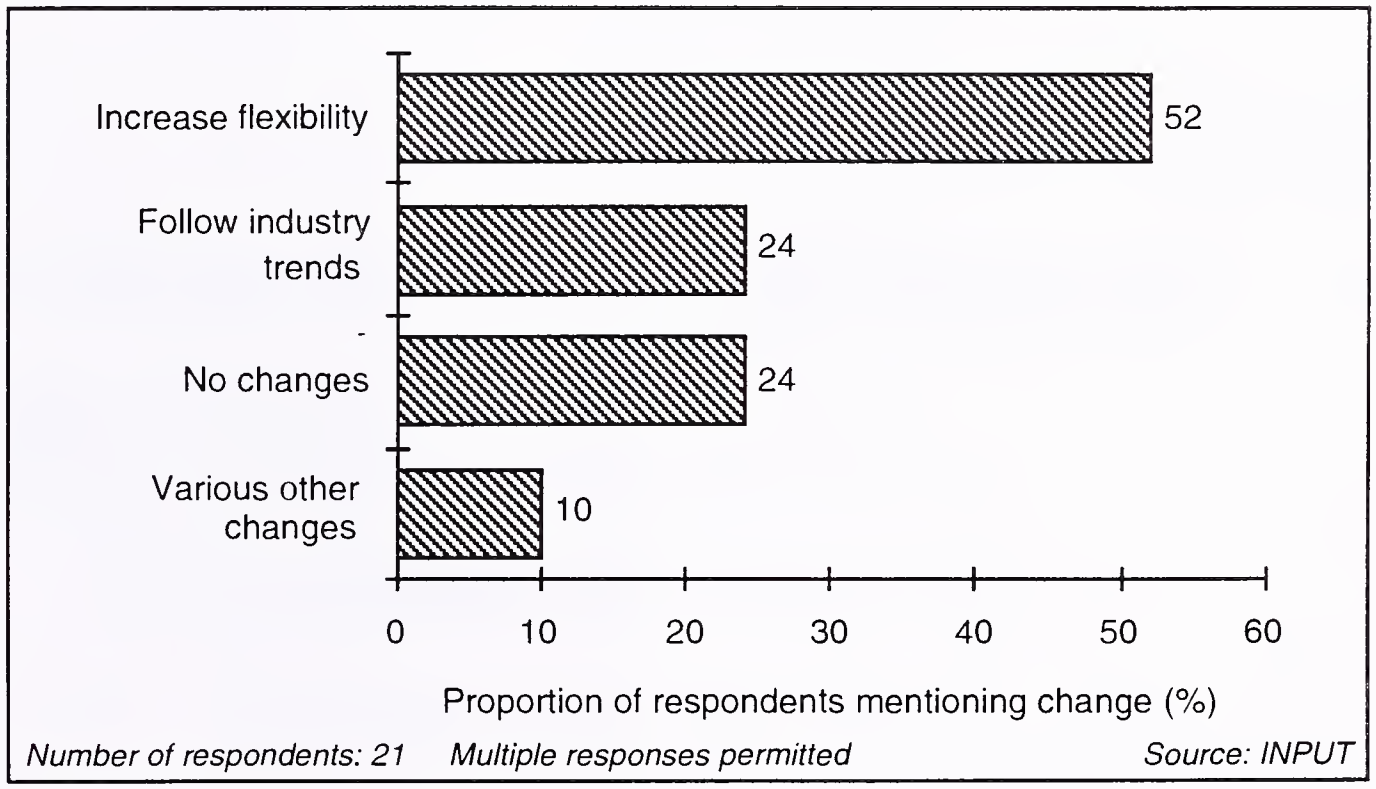
Prices which represent a percentage of product price are no longer appropriate, and pricing based upon some combination of the following is now preferable:

- Cost of delivery of support
- Usage of support

Exhibit V-3 summarises vendors' plans for pricing.

Exhibit V-3

Vendor Plans to Change Pricing of Software Product Support



Number of respondents: 21 *Multiple responses permitted* *Source: INPUT*

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C
Some Intention to Improve Margins

Fifty two per cent of vendors planned to increase product support margins. A variety of methods were cited, including:

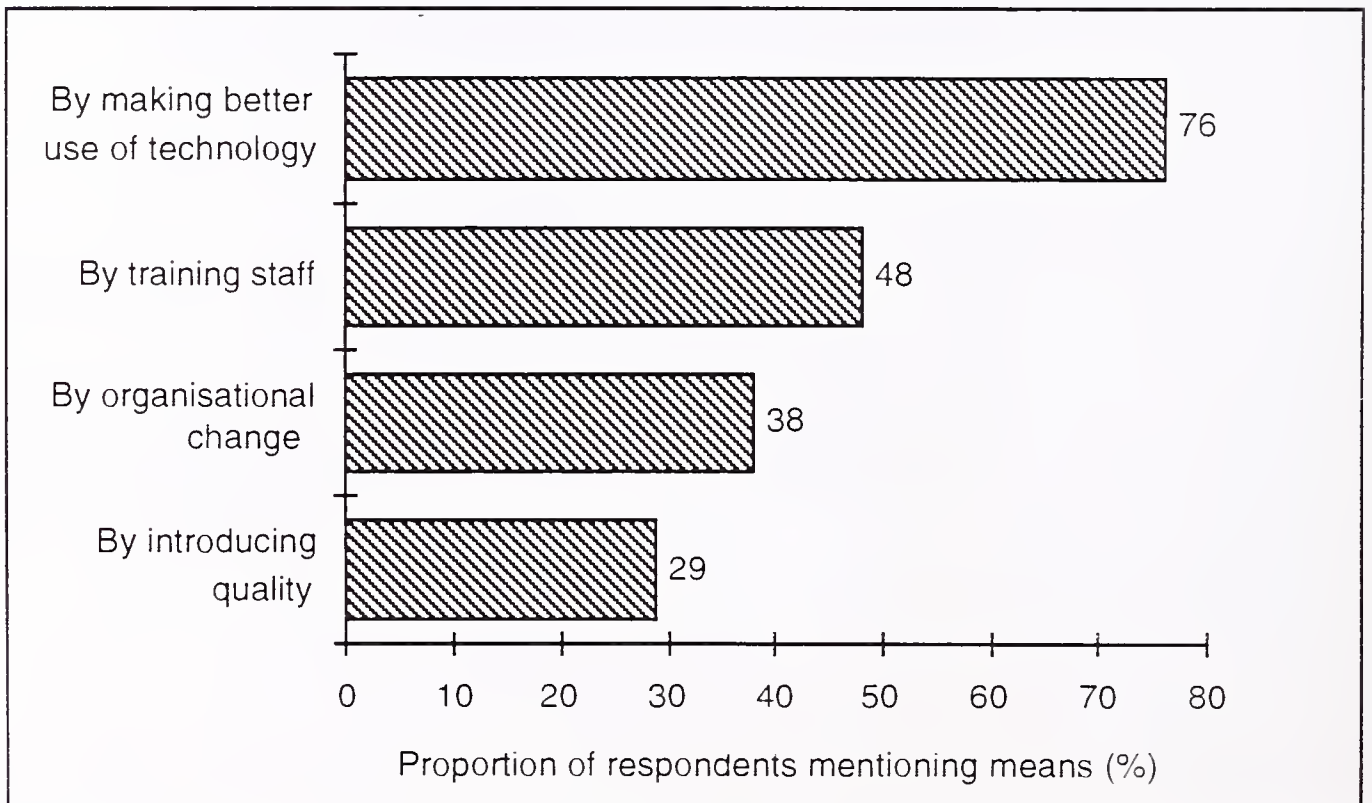
- Better use of technology
- Increased productivity of support staff
- Focus on quality of support
- Reduced call volumes as a result of improved software quality
- Introduction of new pricing schemes

No vendor was committed to more than one of the above approaches, although when questioned further on their plans to improve productivity, vendors returned to topics already mentioned as separate issues.

Productivity techniques are listed in Exhibit V-4.

Exhibit V-4

Commonly Mentioned Means of Achieving Productivity Improvements in the Delivery of Software Product Support



Number of respondents: 21 Multiple responses permitted *Source: INPUT*

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A number of types of organisational change were mentioned, including:

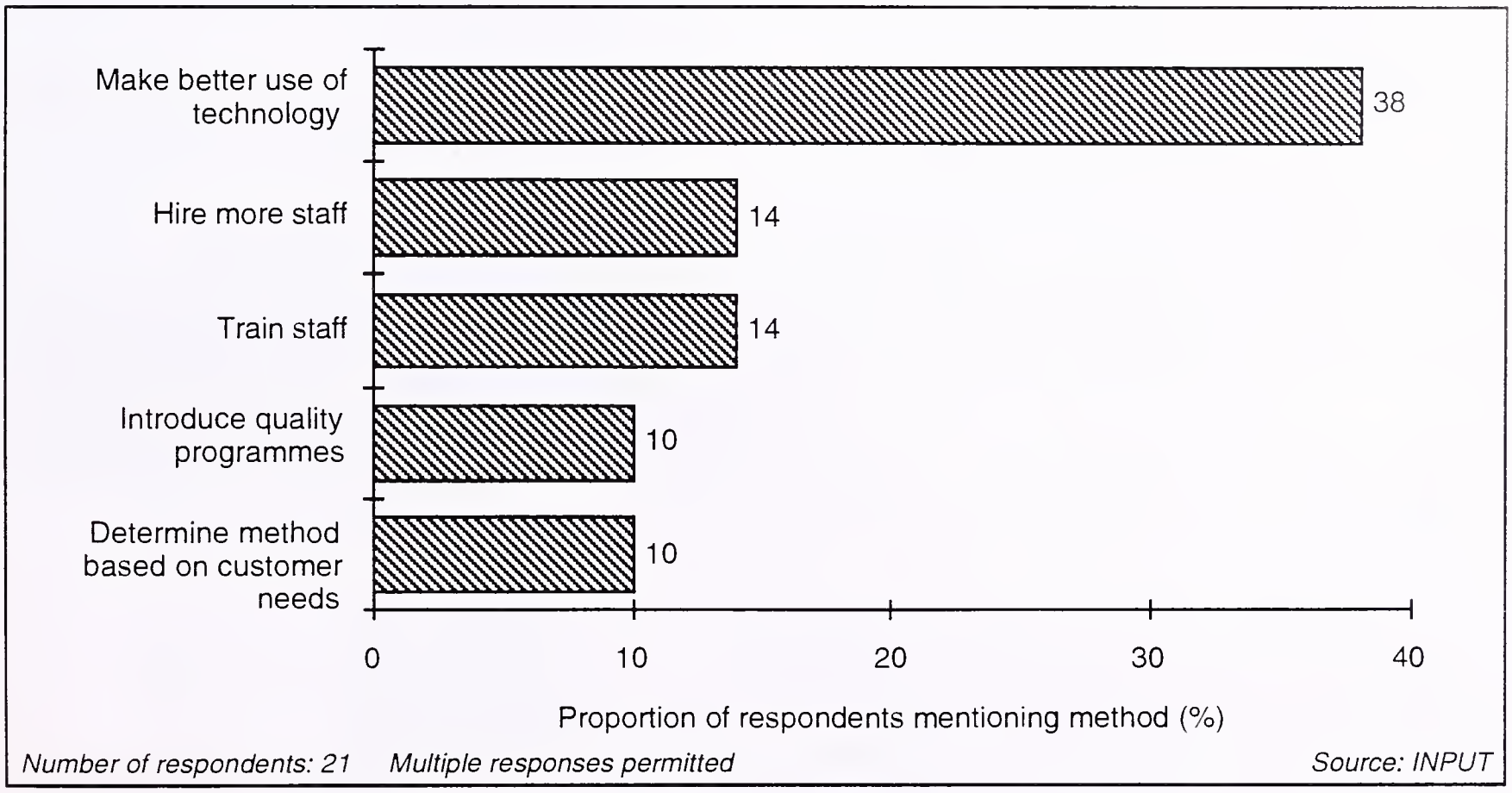
- Centralising support organisations
- Hiring more multilingual staff
- Pooling of skills
- Changing the balance of support staff to reflect the profile of customer calls
- Strengthening internal co-ordination of the support function

D
Technology to be Used to Enhance Support

Vendors were asked how they planned to enhance their support activity over the next few years. They advanced many ideas, the most common of which are shown in Exhibit V-5.

Exhibit V-5

Methods of Enhancing Support Activity



Number of respondents: 21 *Multiple responses permitted* *Source: INPUT*

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The most popular method was the use of technology. Among the approaches mentioned were:

- Implementing helpdesk management software:
  - Call logging
  - Problem tracking
  - Service-level monitoring
- Using telephony, call queuing and call management
- Using CD-ROM to distribute information on known problems and problem resolutions
- Implementing video and desktop conferencing

E
Upgrades Recognised to be an Area for Improvement

Seventy-six per cent of vendors planned to do something to help customers install new releases of software in a cost-effective and trouble-free manner. They were responding to a frequently expressed customer need.

Vendors saw no immediate panacea, but mentioned a number of straightforward approaches, which are listed in Exhibit V-6.

Exhibit V-6

Methods of Enhancing Upgrade Process

Method	Proportion of respondents mentioning Method (%)
Make better use of technology	56
Ensure downward compatibility in all new releases of software	50
Offer an upgrade service	19
No. of respondents: 21 *Multiple responses permitted*	

Source: INPUT

The best approach is no doubt to implement all solutions, since none is capable on its own of providing a complete solution.

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Success Factors for Software Product Support

A
The Support Environment

1. The Support Environment is Changing Fast

Software product support problems are escalating for vendors and customers, particularly for products based on distributed architectures. Vendors need to increase the size and technical capabilities of their support staff, and customers must adjust to paying higher support fees. In the PC world some customers, indeed, are having to pay for support for the first time.

Client/Server technology makes everything more complex – customers have to deal with multivendor solutions and overlapping technology. In this environment, problems often occur in the interface between products rather than in the products themselves.

Support used to be provided exclusively to IS staff, with user departments looking to IS staff to support them. Now departmental users of client/server applications want to deal direct with vendors, who must appreciate the different support needs of non-technical staff.

Customers value business continuity. When they have a problem, they want it fixed, and would prefer not to waste time in deciding who to call or in contacting large numbers of different vendors.

The software product support market does not belong exclusively to software companies. Hardware manufacturers are actively looking for new sources of revenue and profit and already have some of the required infrastructure (for example helpdesk organisations) to be successful.

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2. Support is a Significant Factor in Vendor Organisations

Support has traditionally been regarded as subordinate to sales of products. This is not so. Customers want results, and to them support is the front-line of the company.

Just as software, particularly in the PC world, has become a more important factor than hardware in influencing customers' purchasing decisions, so now support can be expected to become as important as software.

Software is becoming a commodity, and customers will choose the software that comes with the best support.

To take their place in the front rank of the software world, support organisations must commit themselves to the highest level of professionalism. Quality certification is now an absolute requirement.

3. Support Must be Treated as a Business in its Own Right

Software product vendors can no longer subsidise rising support costs from product margins. Vendors must treat support as a profit centre in its own right as product margins are squeezed, and as new technologies such as Object Engineering continue the downward pressure on margins.

Support is a revenue opportunity. Customers used to resolve their problems by hiring more staff, now they look to get support from outside. Vendors who provide the kind of services that customers are looking for can capitalise on this trend.

Vendors cannot afford to ignore the support market, however competitive it is, and however low its margins.

There must be some adjustment of attitudes. Customers must pay for what they receive, if not in product licence fees then in support fees. If such fees are reasonable, they will pay.

4. Two Types of Successful Vendor

Successful support providers will include:

- Large full-service vendors who can introduce economies of scale to their support operations
- Small niche vendors who can form partnerships with large vendors.

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B
Recommendations for Future Development

Support providers should bear in mind five key approaches that are crucial to success in an ever more competitive market. Exhibit VI-1 lists these approaches.

Exhibit VI-1

Five Key Success Factors for Providers of Software Product Support

- Recognise customer sensitivities
- Use technology effectively
- Consider partnerships
- Focus on quality
- Adopt a business orientation

Source: INPUT

1. There is No Support Business without Customers

Customers are no longer a captive market, and their views and needs must be considered by support organisations that wish to be successful.

The increasing diversity of customers, from departmental users of PC products to professional mainframe programmers, calls for a corresponding diversity of service. The varieties and levels of service illustrated in Appendixes A and B should be considered as models, and vendors should always be looking for new opportunities to meet customers' needs.

Not only service but also price should be diversified. Pricing must be seen by the customer to be equitable and logical. Customers who have become used to "free" support may have to be subjected to a painstaking process of re-education, but most people will pay for a service that meets a real need at a fair price.

Open client/server solutions mean that customers have an ever increasing number of vendors supplying different elements of their applications. This multivendor world is here to stay, and vendors should adopt their strategies accordingly.

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Customers who have a problem are interested in getting a solution, and do not appreciate frustrating distractions such as observing debates between vendors about who is responsible for a fault, or accessing five or six different vendor bulletin boards to get the information they need.

Vendors should adopt appropriate solutions which help rather than hinder the customer:

- Vendors who have sufficient expertise should consider supporting the whole environment in which their product runs. For example, an applications vendor could support the various database architectures which his product supports.

- The TSANet consortium, established in the United States in 1992 and not yet present in Europe, is a constructive approach to multivendor support. Members of the consortium – who include Hewlett Packard, IBM, Novell and Oracle – agree to work together to resolve problems in multivendor environments and to accept joint ownership of customer problems.

- Using partners whose expertise complements a vendor's own skills is appropriate if it allows the customer to get comprehensive yet apparently seamless support.

Vendors must remember that customers establish relationships with people not companies. Customers value services such as the availability of a named contact rather than an anonymous, changing voice on the telephone, and are prepared to pay for them as part of a premium service.

A vendor should not consider it a failure of support if a customer wishes to handle part of the support of the vendor's product. IS departments appreciate receiving the benefit of the vendor's expertise and advice in setting up an internal helpdesk, users appreciate dealing with familiar faces from their own IS organisation, and the vendor eventually benefits from a reduced workload.

All support organisations must carefully measure customer satisfaction, both formally through independent surveys and informally through all the channels of communication that are available – remembering that the support helpdesk itself is a key channel for feeding customers' requirements back into the support organisation.

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2. Technology should be Used Wisely

Support organisations already make extensive use of technology to increase their effectiveness and reduce the cost of their operation.

Electronic bulletin boards are already widespread, and they can now be considered as virtually indispensable.

Managers of support organisations who do not use call logging, problem tracking and service-level monitoring software to streamline their processes should plan to do so very soon.

Other innovative uses of technology that should be considered are various telecommunications-based facilities, including:

- Telephony services to switch calls between centres at times of overload
- Fax services to automate receipt of problems and dispatch of solutions and other information
- Increasingly widespread online services like CompuServe
- Automated software delivery

An important caveat is that technology can be misused. In the drive to reduce costs, support organisations must never forget the customer's needs. Voice mail, for example, is a potentially powerful technology that, whether deliberately or accidentally, can end by frustrating customers. *Automated attendance*, a recently introduced use of voice mail technology, is reported to offer considerable economies, but is also believed to deter customers when not implemented sensitively.

The opportunity to talk directly to support staff should never be excluded from support services, and technology must be seen as an adjunct to the human element rather than a replacement for it.

3. Partners Add Value

The software world is so complex and fast-growing that partnerships are an inevitable part of that world. Vendors should embrace partnerships willingly rather than reluctantly, and recognise that they cannot do everything themselves.

Vendors who allow other organisations to represent them, however, must be sure to monitor closely the quality of the third party's support. Certification schemes such as those recently introduced by Microsoft and

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Novell offer a model to all vendors who are considering allowing partners to provide some of the support for their products.

4. Vendors Must Monitor Quality

Vendors who see more and more of their customers attaining ISO 9000 quality certification must accept that certification for themselves is no longer an objective but a prerequisite.

Quality should not be sacrificed to quantity. Vendors whose only plan to enhance their service is based upon adding staff or extending help desk availability hours will not succeed. Customers appreciate good service during business hours better than bad service round the clock.

A vendor's helpdesk is in the front line of customer satisfaction, and should be in the front line of professionalism. It is no longer appropriate – if it ever was – to regard support staff as the least important members of the organisation. They need and deserve to be valued as a key resource and to be trained accordingly.

Training is required not only to ensure technical expertise, but also to master the softer skills involved in handling customers with appropriate sensitivity. Telephone support is a skill in its own right that cannot be acquired solely by instinct and experience.

5. Support Must Become a Profit Centre

Decreasing profit margins in product markets are forcing vendors to re-appraise the role of support in their organisations. What is needed is a wholesale change of attitude – support must now be viewed not as a necessary evil but a key element of the vendor's business.

Vendors should consider leveraging the skills of their support staff to break into other areas as long as this does not dilute the quality of the support service. Examples of this include:

- Provision of professional services based around the use of the vendor's software product
- Helpdesk support of customer written applications

Support staff typically have more contact with customers than do salespeople, and can be used as an auxiliary sales force.

Only one of the vendor organisations questioned for this report had a separate function whose task was to sell support. Yet if support is to be treated as a business, it needs the same infrastructure as other

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businesses, and marketing and sales are a key element of that infrastructure.

Support organisations should be reviewed to ensure that the right people are in the right place. The changing nature of products often calls for different skill sets than those which have traditionally been found in support organisations.

Large vendors may be able to achieve economies of scale by reducing the number of their major support centres. In so doing, however, they must ensure that customers don't lose access to first-line support that is provided in their own time zone and their own language, irrespective of its physical location.

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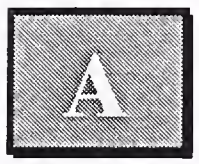

Overview of Microsoft Corporation's Microsoft Support Network

The Microsoft® Support Network offers a choice of service options, and allows users to get support direct from Microsoft or via Microsoft's authorised partners, known as Microsoft Solution Providers (MSPs).

Under the Microsoft Support Network, Microsoft products are divided into four categories according to the type of support users normally require:

- **Applications** – MS-DOS®, Microsoft Windows™, Macintosh® and OS/2®-based applications.
- **Personal Operating Systems** – Microsoft Windows, Microsoft Windows for Workgroups, MS-DOS and hardware such as the Microsoft Mouse.
- **Development Tools** – Visual Basic®, Visual C++™, Fortran and other developer tools.
- **Advanced Systems** – Windows NT™, and Windows NT Advanced Server, LAN Manager, SQL Server and more.

Microsoft has defined standardised levels of support which vary according to the particular product group as set out in Exhibit A-1.

- **Standard Support** – No charge† telephone support for 90 days from the user's first call, designed to ensure prompt assistance during the critical installation and configuration period and to help the user get the software up and running.

  † Microsoft makes no charge for providing support, but calls are subject to normal telephone call time charges.

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Premier Support – Provides support for larger organisations with support tools and includes a dedicated team which tracks calls from inception to resolution. Exhibit A-2 contains further details of this service.

- **Priority Support** – Allows medium-sized companies and individuals access to priority telephone support along with additional support tools (except Priority Desktop). Exhibit A-3 contains further details of this service.

- **Single Incident Pack Support** – Offers further flexibility to those users who do not wish to use an annual support service. Exhibit A-4 contains further details of this service.

- **24 hour Electronic Support** – The Microsoft KeyFax and Microsoft KeyData electronic technical information services are available without charge to all users, 24 hours a day. †

† Microsoft makes no charge for providing support, but calls are subject to normal telephone call time charges.

Exhibit A-1

Standardised Levels of Support

	Desktop Applications	Personal Operating Systems	Development Tools	Advanced Systems
Electronic Services: KeyFax KeyData	No charge for unlimited use via normal telephone lines			
Standard support for users of Packaged and Microsoft Licence Pack Products only	No charge for 90 days (from first call) of telephone support via normal telephone lines			Choice of chargeable support options

Source: Microsoft

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Exhibit A-2

Premier Support

	Desktop Applications	Personal Operating Systems	Development Tools	Advanced Systems
Premier Support Unlimited annual support with call tracking, designated account team, and the TechNet CD-ROM, plus other services	**Premier Comprehensive** £15,000 for comprehensive support for all products for four designated contacts £2,000 for each additional contact **For Microsoft Select customers:** £15,000 p.a. for Microsoft-Select level A £18,000 p.a. for Microsoft-Select level B £21,000 p.a. for Microsoft-Select level C Comprehensive support for all products for four designated contacts £2,000 for each additional contact Premier Comprehensive cannot be split and bought by individual product groups			

Source: Microsoft

Exhibit A-3

Priority Support

	Desktop Applications	Personal Operating Systems	Development Tools	Advanced Systems
Priority Hotline & support tools	** **Priority Comprehensive Support** £5,000 p.a. per registered contact			
Priority Hotline Only	** **Priority Developer Support** £1,000 p.a. per registered contact			
	Priority Desktop Support £149 p.a. per registered contact. Priority telephone support only.			

** *Individual contacts plus one other named individual as backup*

Source: Microsoft

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Exhibit A-4

Single Incident Pack

	Desktop Applications	Personal Operating Systems	Development Tools	Advanced Systems
SIP Support per incident			SIP support £50 per incident	SIP support £100 per incident

Source: Microsoft

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B

Overview of Oracle Corporation's Worldwide Customer Support Programme

The Oracle Worldwide Customer Support programme offers four levels of support:

- Bronze
- Silver
- Gold
- Platinum

Certain key components are provided for every level; additional components are available for each successive level above Bronze.

Additional Field Support Options are available to subscribers to all levels, but are separately charged.

Exhibit B-1 contains a diagrammatic representation of the available options.

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Exhibit B-1

Oracle Worldwide Customer Support Programme

	COMPONENTS	BRONZE	SILVER	GOLD	PLATINUM
	Product Updates	√	√	√	√
C	Product Maintenance	√	√	√	√
O	Telephone Assistance (Office hours)	√	√	√	√
M	Software Licence Transfer Policy	√	√	√	√
K P	Oracle *SupportLink*	√	√	√	√
E O	On-line – Technical Alerts	√	√	√	√
Y N	On-line – Software Status Database	√	√	√	√
E	On-line – Technical Bulletins & Training Details	√	√	√	√
N	CD-ROM *SupportNotes*	√	√	√	√
T	SupportNews	√	√	√	√
S	Documentation for Supported Software	√	√	√	√
	Software Enhancement Requests	√	√	√	√
	Customer Support Guide	√	√	√	√
	Additional services for Silver				
	7x24 Telephone Coverage		√	√	√
	Proactive Technical Alerts		√	√	√
A C	Technical Support Plan		√	√	√
D O	***Additional services for Gold***				
D M	Designated Support Account Manager			√	√
I P	Assigned Support Team			√	√
T O	Priority processing and Routing			√	√
I N	***Additional services for Platinum***				
O E	Full-time On-site Support Specialist				√
N N	Direct Access to Mission Critical Centre				√
A T	Root Cause Analysis				√
L S	Remote System Monitoring				√
	Proactive Performance analysis				√
	Service Level Agreements				√
	Strategic Technical Support Planning				√
	Specified Weekend Support				
F	Weekend Cover Packages				
I	5x12 Telephone Assistance				
E	DBA Services				
L O	Single Point of Contact Support				
D P	On-Site Technical Support Helpdesks				
T	***Expert Modules (5,20 or 35 days)***				
S I	CASE – Healthcheck				
U O	System – Healthcheck				
P N	Communications – HealthCheck				
P S	Gateways – HealthCheck				
O	Installation, Planning and Implementation				
R	Back-up, Archiving and Recovery Review				
T	Performance, Planning and Tuning				
	Application Support and Maintenance				
	Additional Technical Support Contacts				

Source: Oracle

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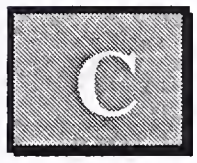

Vendor Questionnaire

A
Respondent Background

1. Company name _____
2. Respondent name _____
3. Respondent job title _____
4. Product(s) supported _____
5. Platform(s) on which product(s) run _____
6. Product price(s) _____

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B
Support Offerings

1. What are your principal support offerings?

2. What are the principal support options you offer to customers?

3. What new types of support or support options do you expect to offer customers over the next few years?

4. Why?

5. What are the principal issues your company faces in addressing software product support?

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C
Marketing of Support Services

1. What is the principal role of software product support for your organisation?

   To what extent is it: *(please rate on a scale of 1 to 5, where 1 = not at all and 5 = totally)*

   To maintain a quality image for the product _____

   A key factor in customer retention _____

   A key revenue/profit stream for the company _____

   A key activity for your company _____

   An area to be devolved to partners _____

   A key multi-vendor/product opportunity _____

   To promote product sales _____

2. What do you perceive to be the critical success factors in providing software product support?

   To what extent is it important that software product support:
   (please rate on a scale of 1 to 5, where 1 = not at all and 5= totally)

   Contributes to company profitability _____

   Attains break-even _____

   Is used as a key differentiator _____

   Is used as a key revenue generator _____

   Margins are increased _____

3. How do you expect your marketing of software product support to change over the next few years?

   _____

   _____

   _____

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4. How do you expect your pricing approach to software product support to change over the next few years?

_____

_____

_____

5. Do you favour bundling or unbundling of software product support?

   Bundling? _____

   Unbundling? _____

6. Why?

_____

_____

_____

7. Do you actively promote the value of software product support?

   YES _____

   NO _____

8. If so, how?

_____

_____

_____

9. Do you plan any actions to improve software product support margins?

   YES _____

   NO _____

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10. If so, please explain.

_____

_____

_____

D
Support Delivery

1. Do you encourage channel partners and major account customers to pick up support activity?

   YES _____

   NO _____

2. Why/why not?

_____

_____

_____

3. What role do you expect your partners to play in relation to product support?

_____

_____

_____

4. How do you expect to enhance your support activity over the next few years?

_____

_____

_____

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5. How important is it for your organisation: *(please rate on a scale of 1 to 5 where 1= not at all and 5= high priority)*

   To continue to reduce the cost of software product support _____

   To increase the flexibility of your software product support offerings _____

   To provide individually tailored software product support contracts _____

   To widen the portfolio of software product support offerings _____

   To introduce wider geographic support coverage _____

   To introduce local language support capability _____

   To continue to automate the delivery of software support _____

   To provide direct user access to support databases _____

   To provide high service level support for business critical users _____

6. How do you expect to achieve productivity improvements in the delivery of software product support services over the next few years?

   _____

   _____

   _____

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7. What measures, if any, do you expect to introduce to facilitate/reduce the cost of implementing software version upgrades?

_____

_____

_____

8. How do you measure your level of success in providing software product support?

_____

_____

_____

E
Observations

1. Are there any issues we haven't covered that you believe are significant when considering software product support?

   YES _____

   NO _____

2. If so, what are they?

_____

_____

_____

Thank you very much for your assistance

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